

MAKING ROOM

ABOUT IPS CRANES INC. IPS Cranes is the OEM of American and Ohio Locomotive cranes. IPS also refurbishes and repairs the 2,000 rail-based cranes used to maintain the 76,000 bridges connecting 233,000 miles of track in America's domestic rail network. The company's headquarters and parts operations are located in White Bear Lake, MN, while its manufacturing and repair operations are located in Duluth, MN.

THE CHALLENGE. In an effort to ready itself for an expected growth spurt in its business, IPS Cranes found themselves confronted by a challenge. A recurring theme in the company's receiving area was clutter, according to Jackie O'Connell, President and CEO of IPS Cranes. "People could not find their parts, they could not put parts away, and they could not get to their parts." IPS looked to implement a culture of continuous improvement to accommodate the objectives of future growth while maximizing margins and maintaining a high quality product delivered on-time to customers.

MEP CENTER'S ROLE. Enterprise Minnesota continuous improvement experts worked with IPS to help them implement a number of lean manufacturing initiatives including: Lean 101, a basic introduction to lean for key employees; 5S Workplace Organization and Kaizen Events in its electrical and hydraulic areas to maintain organization, reduce non-value added activities, and learn to sustain the workplace through an audit process; and a lean program that encourages lean improvements from employees closest to the action.

To specifically address their culture of caching everything, the company divided into small teams to start sorting.

"The goal was to clear everything out," O'Connell recalls.

They sorted by immediate throw-out items, holding-area items that they needed reconsidered, items that had infrequent use, and items that needed to be retained after the clean out. Over four days, they filled five garbage dumpsters, one scrap-steel dumpster, and one cardboard dumpster. About an hour into the initial clean-out, the dumpster was already overflowing. "We pulled our forklift around to the dumpster with a large weight hanging from the end of it and began compacting the trash so we could fit more in."

Team leaders at IPS estimated they saved nine hours per day of lost time, the equivalent of one full-time employee over the course of a year, she says, "just by doing one 5S project and cleaning up their clutter and organizing."

O'Connell says she received an email from the team leader at the end of the week, "Just wanted to say that 5S is going great, and we have awesome participation and buy-in from all involved. Thanks for making this investment in us. I really think it's going to pay off."

"These projects have had an amazing impact on the organization. Huge organizational change. We breath and live lean now."

-Jackie O'Connell, President and CEO

RESULTS



\$3,500,000 in increased or retained sales



\$500,000 in cost savings



7 new or retained jobs

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